

Complaint

Mr H complains that Clydesdale Financial Services Limited (trading as Barclays Partner Finance ("Barclays PF")) unfairly entered into a conditional sale agreement with him. He's said that the agreement was unaffordable for him and so shouldn't have been provided.

Background

In April 2019, Barclays PF provided Mr H with finance for a used car. The cash price of the car was £15,196.00. Mr H paid a deposit of £3,500.00 and entered into a conditional sale agreement with Barclays PF for the remaining amount of £11,696.00 he needed to complete his purchase.

The loan had total interest, fees and charges of £2,812.68 and a 49-month term. This meant that the balance to be repaid of £14,508.68 (which does not include Mr H's deposit) was due to be repaid in 48 monthly instalments of £174.66 followed by an optional final payment of £6,125.00 which Mr H needed to pay if he wished to keep the car.

Mr H's complaint was considered by one of our investigators. He reached the conclusion that proportionate checks would not have shown Barclays PF that it shouldn't have entered into the conditional sale agreement with Mr H. So he didn't think that Mr H's complaint should be upheld.

Mr H disagreed with our investigator and the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I've decided not to uphold Mr H's complaint. I'll explain why in a little more detail.

Barclays PF needed to make sure that it didn't lend irresponsibly. In practice, what this means is that Barclays PF needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr H before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

Barclays PF says it agreed to this application after Mr H provided details of his income which I understand may have been cross checked against information from credit reference agencies on the amount of funds going into his main bank account each month. It says it also carried out credit searches on Mr H which showed that he didn't have any significant adverse information – such as defaults or county court judgments - recorded against him.

In Barclays PF's view, when reasonable repayments towards the amount Mr H owed on his active accounts, plus a reasonable amount for Mr H's living expenses were deducted from his monthly income the monthly payments were affordable.

On the other hand, Mr H says the monthly payments were unaffordable and entering into the conditional sale agreement with him in these circumstances meant he suffered ongoing financial strain as a result of struggling to make his repayments.

I've thought about what Mr H and Barclays PF have said.

Given Mr H's declaration of income, the lack of adverse information on Barclays PF's credit check, Mr H's low amount of outstanding credit and the size of the deposit paid, there is a reasonable argument for saying that Barclays PF's checks were reasonable and proportionate in this instance. And as the information gathered as a result of these checks suggested that Mr H could make the monthly repayment required, it wasn't unreasonable to lend.

In any event, even if I were to agree that Barclays PF ought to have done more before lending to Mr H, I don't think that it doing so would more likely than not have made a difference. I say this because at the absolute most, I would have expected it to have found out more about Mr H's actual living expenses, rather than assuming that he would have sufficient funds left to meet them.

However, the information Mr H has provided doesn't show me that Barclays PF finding out more about his actual living expenses would have led to it concluding that the monthly payments were unaffordable for him.

I also have to keep in mind that Mr H's most recent submissions are being made in support of a claim for compensation. And, at the time at least, Mr H wanted the car that he had chosen. I therefore think that any explanations Mr H would have provided at the time are more likely to have been with a view to persuading Barclays PF to lend, rather than highlighting any unaffordability.

I think it unlikely that Mr H would have sought to demonstrate that the monthly payments were unaffordable, when I think what Barclays PF is likely to have seen as a result of carrying out proportionate checks suggests that they were. Having considered all of this and weighed it up in the round, I don't think that Barclays PF accepted an application that it ought reasonably to have realised was unaffordable for Mr H, or that it ought reasonably to have realised would cause significant harm to him.

In reaching my conclusions, I've also considered whether the lending relationship between Barclays PF and Mr H might have been unfair to Mr H under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Barclays PF irresponsibly lent to Mr H or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having carefully considered everything, while I think that there's a reasonable argument for saying that Barclays PF's checks before entering into this conditional-sale agreement with Mr H did go far enough, I've not, in any event, been persuaded that Barclays PF doing more, in this instance, would have prevented it from providing these funds, or entering into this agreement with Mr H.

So while I can understand Mr H's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate that this will be very disappointing for Mr H. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

My final decision is that I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 November 2025.

Jeshen Narayanan
Ombudsman